

**LEGISLATIVE SERVICES AGENCY  
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House  
(317) 232-9855

**FISCAL IMPACT STATEMENT**

**LS 7136**

**BILL NUMBER:** HB 1263

**DATE PREPARED:** Jan 5, 2002

**BILL AMENDED:**

**Subject:** Township Firefighter Merit Employment System.

**FISCAL ANALYST:** Valerie Ruda

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**FUNDS AFFECTED:**      **GENERAL**  
                                 **DEDICATED**  
                                 **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill authorizes a township to establish a merit system for its fire department by resolution. It permits the township to later amend or delete provisions of the merit system. It also makes conforming amendments.

**Effective Date:** Upon passage.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:** This bill allows townships to establish merit systems for its fire departments and also allows townships to do so by resolution. The bill enables a township to amend or delete certain provisions provided in IC 36-8-3.5. Townships could experience an indeterminable increase in administrative expenses if they choose to establish merit systems. Under current Indiana law, governmental units are not required to establish merit systems for their full-time police and fire departments.

The expenses of implementing a merit system would vary between governmental units and would depend upon various factors, such as the size of each unit and the size of its fire department. (However, the size of a unit and its department does not necessarily indicate that it will or will not have a merit system established.) The impact of this bill is dependent on local action.

The creation of a personnel merit system customarily requires that formal guidelines for hiring, firing, promotion, and employee appeal be established. Establishing a merit system, whether a statutory system or one established by ordinance, necessitates the administrative expense of preparing merit system documents and the formation of a merit review commission or board.

*Background:* As of December 2001, there existed no definitive information source containing the exact number of governmental units which have implemented such a merit system. However, it is estimated that there are approximately 12 to 15 fire merit systems already established in the State of Indiana.

Of the 902 active fire departments in Indiana, 780 are volunteer departments. A majority of fire departments have a mixture of paid and volunteer fire fighters, and many departments contract with other entities, such as cities, towns, townships, and independent corporations. Townships often lack a significant number of paid fire fighters to justify having a merit employment system.

**Explanation of Local Revenues:**

**State Agencies Affected:**

**Local Agencies Affected:** Units of government that employ full-time (and paid) firefighters, but that have no merit system for those employees.

**Information Sources:** Steve Buschmann, Township Association; Gary Robinson, Office of the State Fire Marshal, (317) 232-2227.